

April 15, 2003

Honorable Board of Commissioners
Community Development Commission
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**APPROVE LEASE AGREEMENT WITH LENNOX
SCHOOL DISTRICT TO LEASE PROPERTY FOR LENNOX
SCHOOL READINESS PROGRAM (2)
(3 Vote)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the renovation of the property known as the Residential Sound Insulation Model Home, located at 4944 Lennox Boulevard in unincorporated Lennox, together with the required lead and asbestos mitigation and parking access described in Exhibit C to the attached Lease Agreement, is categorically excluded from the National Environmental Policy Act (NEPA), and exempt from the California Environmental Quality Act (CEQA), because the proposed work will not have the potential for causing a significant effect on the environment.
2. Approve a 55-year Lease Agreement, submitted in substantially final form, between the Community Development Commission and the Lennox School District (the District), which will permit the District to use, for \$1.00 per year, the Commission-owned subject property to operate the Lennox School Readiness Center, an early childhood development and educational facility.
3. Authorize the Executive Director to execute the Lease Agreement, to be effective following approval as to form by County Counsel and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to lease property for the development and operation of the Lennox School Readiness Center, an early childhood education and development facility.

FISCAL IMPACT/FINANCING:

No County costs will be incurred. The lease will be for \$1.00 per year for a term of 55 years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In November 2001, the District submitted a proposal to the Los Angeles County Proposition 10 Commission for development of the Lennox School Readiness Center. The application received a very strong approval rating, and was forwarded to the State of California Children and Families Commission for final review. On March 1, 2002, a grant of \$2.4 million was awarded by the State for the four-year period from 2003 to 2007. Combined with funds from other grants and donations, total funding for the initial four years is \$3.4 million. Other sources of funding will be solicited to fund operation of the center over future years.

The center will promote, support and improve the development of children, prenatal to five years of age, and assist their families, by offering early childhood education and development courses, speech and language development, on-site child care, direct and referral health, vision, dental and social services, and enrollment in health insurance. A key component of the curriculum will be the encouragement of early literacy, stimulation of cognitive development and promotion of bonding between parents and infants. Working in tandem with the State Preschool Program, the District anticipates that the Lennox School Readiness Program will provide an outstanding level of kindergarten readiness for students.

The center will operate under the auspices of the Lennox Preschool Program, which currently serves 528 three- and four-year olds. Although the center will serve children up to five years of age, the main target population will be children aged birth to three years, who currently do not receive development and educational services. The center will serve a minimum of 300 unduplicated families and 750 unduplicated children over the inaugural four-year period.

The property, situated adjacent to the Buford Avenue Elementary School, was originally purchased by the Commission in January 1994, using Community Development Block Grant funds, and has been used since that time as the model home for the Commission's Sound Insulation Program. Comprising a total of 7,875 square feet, the property includes the model home, a garage, which will be demolished to make room for a playground, and yard areas. A portable classroom will be moved onto the property to provide space for the infant and toddler programs.

The model home requires renovation prior to occupancy as the center's office, including interior structural modifications to provide a room for health screenings, modification of the restroom to meet Americans with Disabilities Act (ADA) standards, and installation of cabinets in the living room to transform it into a main lobby. All expenses for the modifications, and any necessary lead and asbestos abatement of the property, together with parking access, will be borne by the District. The facility will continue to be available for use by the Commission for meetings and demonstration purposes, although an alternate model home site will be sought.

Since it is estimated that no more than nine families at a time will be served at the center, and since many of the families live within walking distance, the District has determined that the staff parking lot at adjacent Buford Elementary, with a capacity of 60 vehicles, will accommodate all parking needs for the center.

ENVIRONMENTAL DOCUMENTATION:

This project is categorically excluded from the provisions of NEPA pursuant to 24 Code of Federal Regulations Part 58, Section 58.35 (a)(3)(ii), because it involves activities that will not alter existing environmental conditions. It is also exempt from the provisions of CEQA pursuant to State CEQA Guidelines 15301(a) and 15301 (l)(4), because it involves negligible or no expansion of use beyond what currently exists and therefore does not have the potential for causing a significant effect on the environment.

The environmental review record for this project is available for public viewing during regular business hours at the Commission's office at 2 Coral Circle, Monterey Park.

Honorable Board of Commissioners
April 15, 2003
Page 4

IMPACT ON CURRENT PROJECT:

The proposed action will allow the District to provide early childhood development, education and related services to children and families in the Lennox community.

Respectfully submitted,

CARLOS JACKSON
Executive Director

Attachment: 1

LEASE

Dated as of _____, 2003

by and between

COMMUNITY DEVELOPMENT COMMISSION
OF THE COUNTY OF LOS ANGELES,

as Landlord,

and

LENNOX SCHOOL DISTRICT

as Tenant

TABLE OF CONTENTS

1. DEFINITIONS	2
1.1 GENERAL DEFINITIONS	2
1.2 OTHER DEFINITIONS	4
2. PREMISES	4
2.1 CONVEYANCE OF IMPROVEMENTS	4
2.2 LEASE OF PREMISES	5
3. LEASE TERM	5
3.1 TERMINATION	5
4. RENT	5
4.1 PAYMENT OF RENT	5
4.2 RENT DURING TERM	6
4.3 OTHER EXPENSES	6
5. TAXES	7
5.1 LANDLORD TO PAY TAXES	7
5.2 OTHER TAXES	7
6. USE OF PREMISES	8
6.1 USE	8
6.2 AFFORDABILITY RESTRICTIONS	8
6.3 NO DISCRIMINATION	9
6.4 OCCUPANCY MONITORING	9
7. IMPROVEMENTS	10
7.1 OWNERSHIP AND REMOVAL OF IMPROVEMENTS	10
7.2 REAL ESTATE COVENANT	10
8. MAINTENANCE AND REPAIRS	11
8.1 DUTY TO MAINTAIN PREMISES	11
8.2 CONDITION OF PREMISES AND IMPROVEMENTS	11
9. UTILITIES AND SERVICES	12
10. ALTERATIONS; SIGNS	12
10.1 ALTERATIONS	12
10.2 CONDITIONS TO ALTERATIONS	12
10.3 SIGNS	13
11. INDEMNITY AND EXCULPATION; INSURANCE	13
11.1 EXCULPATION OF LANDLORD	13
11.2 INDEMNITY	14
11.3 INSURANCE	14
12. DESTRUCTION	17
12.1 DUTY TO RESTORE	17
12.2 ELECTION TO TERMINATE	17

13. CONDEMNATION.	18
13.1 DEFINITIONS.	18
13.2 RIGHTS AND OBLIGATIONS.	19
13.3 TOTAL TAKING.	19
13.4 PARTIAL TAKING.	20
13.5 CONDEMNATION PROCEEDINGS.	21
14. HAZARDOUS MATERIALS.	22
15. WARRANTIES AND REPRESENTATIONS.	25
16. ASSIGNMENT, SUBLETTING AND ENCUMBERING.	25
16.1 ASSIGNMENT AND SUBLETTING.	25
16.2 ENCUMBRANCE OR ASSIGNMENT AS SECURITY.	26
17. DEFAULTS AND REMEDIES.	26
17.1 DEFAULTS.	26
17.2 REMEDIES.	27
17.3 CUMULATIVE NATURE OF REMEDIES.	31
17.4 LANDLORD'S RIGHT TO CURE BREACH.	31
17.5 LANDLORD'S DEFAULT.	31
18. SURRENDER AND LANDLORD'S ENTRY.	32
18.1 SURRENDER.	32
18.2 LANDLORD'S ENTRY ON PREMISES.	33
19. NOTICES.	34
20. QUIET POSSESSION.	35
21. GENERAL PROVISIONS.	35
21.1 WAIVER.	35
21.2 INTENTIONALLY OMITTED.	36
21.3 ESTOPPEL CERTIFICATES.	36
21.4 ENTIRE AGREEMENT; MODIFICATION.	36
21.5 RECORDING.	37
21.6 GOVERNING LAW.	37
21.7 SUCCESSORS.	37
21.8 SEVERABILITY.	38
21.9 SINGULAR AND PLURAL; GENDER.	38
21.10 TERMINATION FOR IMPROPER CONSIDERATION.	38
21.11 RIGHT TO AUDIT.	39
21.12 TIME.	39
21.13 CAPTIONS.	40
21.14 BROKERS.	40
21.15 JOINT AND SEVERAL OBLIGATIONS.	40
21.16 NON-RECOURSE.	40
21.17 FORCE MAJEURE.	40
21.18 CONFLICT OF DOCUMENTS.	41
21.19 COMMISSION'S QUALITY ASSURANCE PLAN.	41
21.20 COMPLIANCE WITH LAWS.	42
21.21 CONFLICT OF INTEREST.	44

21.22	ACCESS AND RETENTION OF RECORDS.	45
21.23	CONFIDENTIALITY OF REPORTS.	45
21.24	SAFETY STANDARDS AND ACCIDENT PREVENTION.	45
21.25	DRUG-FREE WORKPLACE ACT OF THE STATE OF CALIFORNIA.	46
21.28	INTERPRETATION.	46
21.29	WAIVER.	46

TABLE OF EXHIBITS

Exhibit "A"	Legal Description
Exhibit "B"	Preliminary Title Report
Exhibit "C"	Environmental Mitigation Measures
Exhibit "D"	Maintenance Agreement
Exhibit "E"	Lobbyist Certifications

LEASE

This Lease ("Lease," or "Agreement,") is made and entered into this day of , 2003 (the "Lease Date") by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic ("Landlord," or "Commission"), and Lennox School District ("Tenant," or "School District").

RECITALS

A. Landlord is the owner of certain real property (including all easements relating thereto) located at 4944 Lennox Boulevard in unincorporated Los Angeles County, State of California, more fully described on Exhibit A ("Legal Description") attached hereto and incorporated herein by reference (the "Premises").

B. Tenant desires to lease the Premises from Landlord, and Landlord desires to lease the Premises to Tenant in accordance with the terms and conditions of this Lease set forth herein below.

NOW THEREFORE, the Parties agree as follows:

1. DEFINITIONS.

1.1 General Definitions.

As used in this Lease, the following words and phrases shall have the following meanings:

(a) Alterations - any change to, or modification of the Improvements made by Tenant pursuant to Section 10.1 below.

(b) Authorized Representative - any officer, agent, employee, or independent contractor retained or employed by either Party, acting within authority given him by that Party.

(c) Capital Expenditure - customary and necessary capital expenditures (as determined in accordance with generally accepted accounting principles) made by Tenant for Alterations with respect to the Premises.

(d) Damage - injury, deterioration, or loss to a Person or property caused by an Act of God or a Person's acts or omissions. Damage includes death; Damage does not include normal wear and tear.

(e) Destruction - any substantial Damage to the Premises or the Improvements.

(f) Encumbrance - any deed of trust, mortgage, or other written security device or agreement encumbering either the leasehold or the fee interest in the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.

(g) Expiration - the coming to an end of the time specified in this Lease as its duration.

(h) Improvements - any structures or other permanent improvements to be constructed on the Premises, which structures or permanent improvements shall be constructed in accordance with plans and specifications approved by Landlord, in its sole discretion.

(i) Law - any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the Parties or the Premises, or both, in effect either at the time of execution of this Lease or at any time during the Term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).

(j) Person - one or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, joint ventures, associations, and any combination of human beings and legal entities.

(k) Provision - any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in this Lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either Party.

(l) Rent - rent and any other charges payable by Tenant to Landlord under the Provisions of this Lease.

(m) Successor - assignee, transferee, personal representative, heir, or other Person succeeding lawfully, and pursuant to the Provisions of this Lease, to the rights or obligations of either Party.

(n) Termination - the ending of the Term for any reason before Expiration.

1.2 Other Definitions.

The following additional terms are defined in the following sections of this Lease:

(a)	Term	3.0
(b)	Rent	4.1
(c)	Rent Commencement Date	4.1
(d)	Other Expenses	4.3
(e)	Taxes	5.1
(f)	Insurance	11.3
(g)	Award	13.1 (a)
(h)	Condemnation	13.1 (b)
(i)	Condemnor	13.1 (c)
(j)	Date of Taking	13.1 (d)
(k)	Minor Taking	13.1 (e)
(l)	Permitted Lender	13.3
(m)	Default	17.1

2. PREMISES.

2.1 Conveyance of Improvements.

Upon the Expiration of the Term of this Lease or upon earlier Termination of the Term pursuant to the provisions of this Lease, Tenant shall convey to Landlord all of its interest in the Premises and Improvements, by means of a grant deed or such other instruments as Landlord may reasonably require.

2.2 Lease of Premises.

For and in consideration of the payment of Rent and the performance of all the terms, covenants and conditions of this Lease by Tenant, Landlord hereby leases the Premises to Tenant, free of other tenancies or rights of possession and subject only to the permitted exceptions set forth in that certain preliminary title report attached hereto as Exhibit B, issued by Orange Coast Title Company, Order No. 115238, and Tenant hereby takes and hires the Premises from Landlord.

3. LEASE TERM.

The initial term ("Term") of this Lease shall commence on the Lease Date and extend for a term of 55 years.

3.1 Termination.

Landlord and Tenant both have the right to terminate the lease with one hundred and eighty (180) days written notice, for any reason.

4. RENT.

4.1 Payment of Rent.

Tenant shall pay to Landlord, without deduction, setoff, prior notice or demand, at such place as Landlord may from time to time designate, the rent specified in Section 4.2 below (the "Rent"), commencing on the Rent Commencement Date. For purposes hereof, "Rent Commencement Date" shall mean thirty days after the date of this Lease. For any partial year during the Term, the Rent for such partial year shall not be prorated.

4.2 Rent During Term.

For the period beginning on the date hereof and terminating on the Rent Commencement Date, Tenant shall pay no Rent. For the period beginning on the Rent Commencement Date and continuing throughout the remainder of the Term, Tenant shall pay one dollar (\$1.00) per year, paid in advance on the Rent Commencement Date in one lump sum amount of \$55.00 to the Landlord.

4.3 Other Expenses.

In addition to the Rent as set forth in Section 4.2 hereinabove, Tenant shall pay or cause to be paid all utilities, insurance, operation and maintenance expenses associated with the Premises and the Improvements pursuant to the terms of this Lease, (the "Other Expenses") but specifically excluding all ad valorem property taxes and possessory interest taxes, assessed against or otherwise imposed with respect to, the Land, the Improvements or the Personal Property. From and after the date hereof, Tenant shall pay or cause to be paid the Other Expenses on or before the date such Other Expenses are due, and under no circumstances shall Tenant be

entitled to a credit or other waiver with respect to the Other Expenses.

5. TAXES.

5.1 Landlord to Pay Taxes.

Throughout the Term of this Lease, except as otherwise provided in this Lease, Landlord shall pay, if any, all taxes, all ad valorem property taxes, possessory interest taxes, general or special assessments, levies and other charges levied on, assessed against or otherwise imposed with respect to, the Land, the Improvements or the personal property, including, without limitation, any possessory interest taxes levied against Tenant with respect to its leasehold interest created hereby, which may be levied upon or assessed against or become a lien in any manner upon the Premises, or any Improvements, or any personal property, or any part thereof, by or according to any law or governmental, legal, political or other authority whatsoever (collectively "Taxes").

5.2 Other Taxes.

Tenant shall not be required to pay any income, franchise, estate, inheritance, succession, capital levy or transfer tax assessed against Landlord or any Successor of Landlord, or any income, excess profits or revenue tax or any other similar tax, assessment, charge or levy upon the Rent or other income derived by Landlord or any Successor of Landlord under this Lease.

6. USE OF PREMISES.

6.1 Use.

Throughout the Term of this Lease, Tenant shall use the Premises for promoting, supporting and improving the early development of children prenatal to 5 years of age and assisting their families. Tenant agrees to maintain the character of the Premises as required by the Maintenance Agreement (Dated _____, 2003), incorporated herein as Exhibit D, between the Lennox School District and the Community Development Commission of the County of Los Angeles for so long as such document remains in effect. Tenant may use the Premises for any other purpose which is an eligible activity with respect to the Community Development Block Grant Program, with the prior written consent of Landlord, which consent shall not be unreasonably withheld. Tenant shall not use or permit the use of the Premises in any manner which (i) creates a nuisance or (ii) violates any Law provided that if future law is enacted that requires significant changes to building structure or expenditures in excess of fifty thousand dollars (\$50,000) to comply, Tenant may terminate the Lease as provided in Section 3.1.

6.2 Affordability Restrictions.

Once available for occupancy, the Premises shall be available to provide services to lower-income individuals and families, as defined herein, on a continuous basis and may not be converted to condominium, owner-occupied, or other non-rental use; and Tenant shall not discriminate on the basis of race, creed, color, sex,

marital status, disability, or national origin in the lease, use, or occupancy of the Premises.

The Premises shall be used to offer services to, at least, fifty one percent (51%), individuals or families whose household incomes vary up to eighty percent (80%) of median household income for the Los Angeles - Long Beach Metropolitan Statistical Area (MSA), adjusted for household size.

6.3 No Discrimination.

The Tenant herein covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that this Lease is made and accepted upon and subject to the following conditions:

That there shall be no discrimination against or segregation of any person or group of persons, on account of race, religion, creed, color, national origin, ancestry, marital status, sex or sexual orientation in the leasing, subleasing, transferring, use or enjoyment of the land herein leased nor shall the Tenant itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, subleases, subtenants, or vendees in the land herein leased.

6.4 Occupancy Monitoring.

Tenant shall comply with the occupancy monitoring procedures established by the Landlord in compliance with the Community Development Block Grant Program pursuant to United States Department of Housing and Urban Development (HUD)'s Handbook 1378.

Tenant agrees to ensure that the clients' eligibility to use the Premises shall be based upon information that the clients provide to Tenant regarding their income and assets. The clients shall agree to provide updated information each year and all information they supply shall be subject to inspection by representatives of the Landlord or regulatory agencies. The clients shall agree that all such information they provide regarding household income and assets shall be true, complete, and correct to the best of their knowledge. The clients shall agree that failure to provide such information, or providing false or misleading information, may result in the termination of their occupancy and eviction from the Premises.

7. IMPROVEMENTS.

7.1 Ownership and Removal of Improvements.

Tenant shall not remove any Improvements or Alterations from the Premises nor waste, destroy or modify any Improvements or Alterations on the Premises, except as permitted by this Lease. Upon Expiration or Termination of the Term of this Lease, all Improvements and Alterations on the Premises shall, without compensation to Tenant, thereupon become Landlord's property. Upon any such Expiration or Termination, Tenant shall deliver to Landlord a grant deed to convey Tenant's interest in the Improvements and Alterations to Landlord.

7.2 Real Estate Covenant.

Landlord and Tenant covenant and agree that all Improvements shall at all times be, and remain, real property.

8. MAINTENANCE AND REPAIRS.

8.1 Duty to Maintain Premises.

Tenant shall, at its own cost and expense, cause the Premises (including the Improvements and Alterations) to be kept and maintained in good order, condition and repair throughout the Term of this Lease, in accordance with Exhibit D, the Maintenance Agreement. Landlord shall not have any responsibility to maintain the Premises, except for extraordinary maintenance, as defined in the Maintenance Agreement. Tenant hereby waives the benefit of California Code Section 1941 and 1942 and any other Law that would otherwise afford Tenant the right to make repairs at Landlord's expense.

8.2 Condition of Premises and Improvements.

(a) Inspection.

(1) Initial Inspection. At least thirty (30) calendar days before the Lease Date, Landlord shall provide Tenant a copy of Landlord's internal Inspection Report regarding the condition of the Premises and the Improvements (the "Inspection Report").

(2) Tenant's Acceptance. Landlord shall convey to Tenant, the Premises and all Improvements in a condition acceptable to Tenant, at Tenant's reasonable discretion. Tenant shall notify Landlord whether or not the Premises or the Improvements are in an acceptable condition. If Tenant notifies Landlord that the Premises and Improvements are not in an acceptable condition, then the obligations of all parties under this Lease shall terminate, and

neither party shall have any further obligation to the other in connection with this Lease.

9. UTILITIES AND SERVICES.

Tenant shall pay for all water, sewage, gas, electricity, telephone, maintenance, janitorial, trash collection and any and all other utilities and services supplied to the Premises.

10. ALTERATIONS; SIGNS.

10.1 Alterations.

Tenant shall have the right, throughout the Term of this Lease at any time and from time to time to make Capital Expenditures for the purposes of constructing Alterations, costing, in the aggregate, no more than \$50,000.00. Any Capital Expenditures for Alterations in excess of \$50,000.00 shall require the prior written consent of the Landlord, which consent may be withheld by Landlord in its sole discretion. All Alterations, whether or not Landlord's prior written consent is required, shall be made pursuant to the terms of this Section 10.1.

10.2 Conditions to Alterations.

Notwithstanding the Provisions of Section 10.1, with respect to any such Alterations, Tenant shall comply with the following requirements:

(a) If the Alterations require a building permit, on or before submission of preliminary construction plans and specifications to the appropriate governmental agencies for review,

Tenant shall submit one set of such documents to Landlord for Landlord's review and approval, which approval may be withheld by Landlord in its sole and absolute discretion;

(b) If the Alterations require a building permit, on or before submission of final working plans and specifications to the appropriate governmental agencies for approval, Tenant shall deliver to Landlord one complete set for Landlord's review and approval, which approval Landlord may withhold in its sole and absolute discretion;

(c) If the cost of the Alterations exceeds \$50,000, Tenant shall deliver to Landlord insurance certificates for any insurance pertaining to the construction which is required pursuant to Section 11 hereof.

(d) Once construction of the Alterations is begun, Tenant shall with reasonable diligence prosecute such construction to Completion.

10.3 Signs.

Subject to the approval of the County of Los Angeles, other governmental regulatory authorities, and Landlord, Tenant shall have the right to place, affix and maintain signs upon the Premises and the Improvements. All such signs shall be installed and maintained in good condition and repair at Tenant's cost and expense.

11. INDEMNITY AND EXCULPATION; INSURANCE.

11.1 Exculpation of Landlord.

Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property from any cause except the gross negligence of Landlord or its Authorized Representatives. Tenant waives all claims against Landlord for damage to Person or property arising for any reason other than the intentional efforts or gross negligence of Landlord or its Authorized Representatives.

11.2 Indemnity.

(a) Tenant shall indemnify, hold harmless and defend Landlord against and from any loss, cost or expense of any sort or nature, and from any liability to any Person, on account of any damage to Person or property arising out of any failure of Tenant to perform and comply in any respect with any of the requirements and Provisions of this Lease or arising from Tenant's use, maintenance and operation of the Premises.

(b) Notwithstanding anything to the contrary contained in this Section, Tenant shall not be liable for any injury, loss or Damage of whatever kind if such injury, loss or Damage is the result of the negligence of Landlord or its Authorized Representatives.

11.3 Insurance.

Concurrent with the execution of this Lease and in partial performance of Tenant's obligations hereunder, Tenant shall procure and maintain, at its cost, during the Term of this Lease and any extensions or renewals thereof, from an insurer admitted in California or having a minimum rating of or equivalent to A: VIII in Best's Insurance Guide:

(a) Comprehensive General Liability Insurance with

a combined single limit of at least two million dollars (\$2,000,000). Landlord, its officials, employees, and agents shall be covered as additional insured with respect to liability arising from activities performed by or on behalf of Tenant, or the maintenance, use or occupancy of the Premises. Said insurance shall be primary insurance with respect to Landlord and shall contain a cross liability endorsement.

(b) "All Risk" property insurance, in an amount sufficient to cover the full replacement value of all insurable buildings, structural improvements and Tenant's personal property on the Premises. Landlord shall be named as an insured under a standard loss payable endorsement.

(c) Upon the execution of this Lease, Tenant shall deliver to Landlord certificates of insurance with original endorsements evidencing the coverage required by this Lease. The certificates and endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. Landlord reserves the right to require complete certified copies of all policies at any time. Tenant further agrees that if Tenant fails to furnish evidence of insurance as provided in this Section, Landlord may obtain such insurance and the premium for such insurance shall be deemed additional rent to be paid by Tenant to Landlord upon demand.

(d) Said insurance shall contain an endorsement requiring thirty (30) days' prior written notice from insurers to Landlord before cancellation or change of coverage.

(e) Said insurance may provide for such deductibles

or self-insured retention as may be acceptable to Landlord. In the event such insurance does provide for deductibles or self-insured retention, Tenant agrees that it will fully protect Landlord, its officials, and employees in the same manner as these interests would have been protected had the policy or policies not contained a deductible or retention provisions. With respect to damage to property, Landlord and Tenant hereby waive all rights of subrogation, one against the other, but only to the extent that collectible commercial insurance is available for said damage.

(f) Not more frequently than every five (5) years, if in the opinion of Landlord or of an insurance broker retained by Landlord, the amount of the foregoing insurance coverage is not adequate, Tenant shall increase the insurance coverage as required by Landlord.

(g) The procuring of said insurance shall not be construed as a limitation on Tenant's liability or as full performance on Tenant's part of the indemnification and hold harmless provisions of this Lease; and Tenant understands and agrees that, notwithstanding any insurance, Tenant's obligation to defend, indemnify and hold Landlord, its officials and employees harmless hereunder is for the full and total amount of any damage, injuries, loss, expense, costs or liabilities caused by the condition of the Premises or in any manner connected with or attributed to the acts or omissions of Tenant, its officers, agents, employees, subtenants, licensees, patrons or visitors, or the operations conducted by Tenant, or the Tenant's use, misuse or neglect of the Premises.

(h) Any modification or waiver of the insurance requirements herein shall only be made with the written approval of Landlord.

12. DESTRUCTION.

12.1 Duty to Restore.

In the event of any Destruction to the Premises or the Improvements by fire or other casualty, which renders the Premises partially or totally un-tenantable, which Damage or Destruction is insured against under any policy of fire and extended coverage insurance then covering the damaged Improvements, this Lease shall not terminate and said Improvements shall be rebuilt by Tenant with due diligence at Tenant's expense provided that insurance proceeds received by Tenant are adequate. Notwithstanding the foregoing, this Lease shall be subject to termination as provided in Section 12.2 below.

12.2 Election to Terminate.

In the event of any Damage or Destruction of the Premises or the Improvements by an uninsured casualty at any time during the Term or by a casualty (whether or not insured) during the last two (2) years of the Term, then either party may within not more than sixty days after such Damage, notify the other party of its election to terminate this Lease. If this Lease is not so terminated, then Tenant shall rebuild said Improvements with due diligence at Tenant's expense, unless Landlord is required to pay for such casualty, pursuant to Landlord's agreement to pay for extraordinary maintenance,

as defined in the maintenance agreement. If this Lease is terminated by either party as aforesaid, this Lease shall terminate effective as of the date of such Damage or Destruction and any Rent paid by Tenant for the period after such termination date shall be immediately refunded by Landlord. In the event neither party timely gives notice of its election to terminate this Lease as aforesaid, this Lease shall remain in full force and effect. Notwithstanding Landlord's election to terminate this Lease, Tenant shall have the right, within thirty (30) days after receipt of notice from Landlord terminating this Lease, to elect to repair the Damage to the Premises or Improvements at Tenant's expense by delivering written notice to Landlord, in which event this Lease shall remain in full force and effect and Tenant shall proceed to make such repairs as soon as reasonably possible.

13. CONDEMNATION.

13.1 Definitions.

(a) "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial Condemnation.

(b) "Condemnation" means (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor and (2) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of Condemnation or while legal proceedings for Condemnation is pending.

(c) "Condemnor" means any public or quasi- public authority, or private corporation or individual, having the power of Condemnation.

(d) "Date of Taking" means the date the Condemnor has the right to possession of the property being condemned.

(e) "Minor Taking" means a Condemnation which does not cause a loss of building square footage or parking spaces at the Premises and which does not permanently and adversely impact or affect vehicular and pedestrian circulation, ingress, egress or visibility of or at the Premises.

13.2 Rights and Obligations.

If during the Term there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation, the rights and obligations of the Parties shall be determined pursuant to this Section 13. Each Party waives the provisions of Code of Civil Procedure 1265.130 allowing either Party to petition the superior court to Terminate this Lease in the event of a partial taking of the Premises.

13.3 Total Taking.

(a) If all or substantially all of the Premises shall be taken by Condemnation then, subject to the rights of Permitted Lenders, this Lease shall Terminate as of the Date of Taking. All Rent paid in advance and pertaining to a period beyond the Date of Taking shall be proportionately refunded to Tenant by Landlord. For purposes of this Section, "substantially all" of the Premises shall be deemed to have been taken if the Condemnation is more than a Minor Taking and if, in Tenant's reasonable discretion, the remaining property cannot be practicably used by Tenant for the purposes contemplated by this Lease.

(b) In the event of a taking of all or substantially all of the Premises, Tenant shall be entitled to that portion of the Award equal to the value of Improvements to the Premises paid for by the Tenant, and Landlord shall be entitled to receive the balance of any Award.

13.4 Partial Taking.

(a) In the event of a taking of less than all or substantially all of the Premises, the Term of this Lease shall not be reduced or affected in any way. There shall be no adjustment to Rent in the event of a Minor Taking.

(b) In the event of a taking of less than all or substantially all of the Premises:

(1) Subject to the rights of any Permitted Lender, that portion of the Award as may be required to reasonably repair and restore any Improvements on the Premises shall be made payable to the Trustee, as Trustee for Landlord and Tenant, as their interests may appear, and the Trustee shall release all such proceeds for the cost of repair, restoration or reconstruction of the damaged or destroyed Improvements. If and to the extent that the Improvements cannot, in Tenant's reasonable judgment, be so repaired and restored, Tenant shall be entitled to a portion of the Award as required to reasonably compensate Tenant for the value of the Improvements which cannot be so repaired or restored. Any such reconstruction or restoration by Tenant shall comply with the Provisions of Section 10.1 of this Lease; and

2) Landlord shall be entitled to receive the balance of the Award.

(c) If the temporary use or occupancy of all or any part of the Improvements shall be taken for any public or quasi-public use for a period exceeding sixty (60) days during the Term of this Lease, Tenant shall have the option to Terminate this Lease upon notice to Landlord, subject to the rights of Permitted Lenders. If Tenant does not exercise this option to Terminate the Lease, Tenant shall continue to pay in full the Rent and other sums due from Tenant to Landlord under this Lease, and Tenant shall have the right to receive so much of any Award or other consideration for such taking as represents compensation for the use and occupancy of the Premises up to and including the date of Expiration of the Term of this Lease or the date of Termination of the temporary taking as reasonably determined by Landlord, whichever is earlier, and Landlord shall be entitled to receive the balance, if any, of the Award.

13.5 Condemnation Proceedings.

Tenant shall not have the right to participate in any Condemnation proceedings concerning or affecting the Premises, including the Lease. In case of a taking of all or any part of the Premises or any interest in the Lease, or the commencement of any proceedings or negotiations which might result in such taking, any Party receiving information as to the same shall promptly give written notice thereof to the other.

14. HAZARDOUS MATERIALS.

(a) For purposes of this Lease, "Hazardous Materials" shall mean petroleum, asbestos, flammable explosives, radioactive materials, hazardous wastes, toxic substances and hazardous substances and related materials, including, without limitation, those materials identified in the applicable Sections of Title 22 of the California Administrative Code, Division 4, Chapter 30; the substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; and those substances defined as "hazardous wastes" in Section 25117 of the California Health and Safety Code, or as "hazardous substances" in Section 25316 of the California Health and Safety Code; all as may be amended from time to time; and the regulations adopted in publications promulgated pursuant to said laws.

(b) If Tenant believes or has reasonable cause to believe that any release of a Hazardous Material has come to be located on or beneath the Premises that may present a health and safety risk or reach an "action level" under laws and regulations governing hazardous materials, then Tenant shall give written notice of any such discovery to Landlord pursuant to Section 25359.7(b) of the California Health and Safety Code. In addition, Tenant, at its sole cost, shall comply with all current and future laws, regulations and orders relating to Tenant's storage, use and disposal of Hazardous Materials. If Tenant

does store, use or dispose of any Hazardous Materials other than such cleaning and other materials customarily used in the operation and maintenance of a single-family residential building, Tenant shall notify Landlord in writing at least ten (10) days prior to the first appearance of such materials on or about the Premises and Tenant's failure to do so shall constitute a Default under this Lease. Tenant shall, in accordance with applicable law, not dispose of any Hazardous Materials at the Premises. Tenant shall be solely responsible for and shall defend, indemnify and hold Landlord and its directors, officers, employees, agents, contractors, and the holder of any mortgage lien on all or a portion of the Premises, and any successor to Landlord's interest in this Lease, their directors, officers, employees and agents (collectively, the "Landlord Group") harmless from and against all claims, costs, losses, expenses and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with the storage, use and disposal of Hazardous Materials by Tenant, its directors, officers, employees and agents (collectively, the "Tenant Group"). If the presence of Hazardous Materials on the Premises caused or permitted by the Tenant Group results in contamination greater than the acceptable levels established by any governmental agency having jurisdiction over such contamination, then Tenant shall promptly take any and all action ordered by such governmental agency to cleanup such contamination. If Tenant fails to proceed with the cleanup of any contamination or otherwise fails to comply with any laws, regulations or orders relating to Hazardous Materials, then Landlord, at its option, shall have the right to

(i) declare Tenant in Default under this Lease, and/or (ii) take any and all action necessary to cleanup such contamination or otherwise comply with any laws, regulations or orders relating to Hazardous Materials. Landlord shall have the right to (i) enter the Premises for the purpose of conducting any tests to determine the presence of Hazardous Materials at the Premises, (ii) enter the Premises for the purpose of taking any corrective action pursuant to the rights granted Landlord hereunder, and/or (iii) notify the appropriate governmental agencies of the existence of Hazardous Materials at the Premises; provided however, that if Landlord elects to enter the Premises hereunder, during such entry Landlord shall not unreasonably interfere with Tenant's use of the Premises. Any costs incurred by Landlord in correcting or responding to the Hazardous Materials as set forth in this Lease shall be considered additional Rent under the Lease and be immediately due and payable by Tenant. Any such amounts not paid by Tenant within thirty (30) days of demand therefore shall thereafter bear a late payment of 10 percent (10%) of any unpaid portion of the costs incurred by Landlord. At any time prior to the expiration of the Lease Term, Tenant shall have the right to conduct appropriate tests of water and soil and to deliver to Landlord the results of such tests to demonstrate that no contamination in excess of legally permitted levels has occurred as a result of Tenant's use of the Premises. Tenant shall further be solely responsible for, and shall defend, indemnify and hold the Landlord Group harmless from and against any and all claims, costs, losses, expenses and liabilities, including attorneys' fees and costs, arising out of or in connection

with any removal, cleanup and restoration work and materials required hereunder to return the Premises and any other property of whatever nature to their condition existing prior to the appearance of Hazardous Materials, to the extent that such Hazardous Materials are attributable to the Tenant Group.

15. WARRANTIES AND REPRESENTATIONS.

The Commission makes no warranties and representations regarding hazardous materials on the Premises.

The Commission has not conducted an Asbestos and Lead Paint Abatement study at said Premises. The Premises may or may not be free of any and all hazardous materials, including petroleum, asbestos, flammable explosives, radioactive materials, hazardous wastes, toxic substances and hazardous substances and related materials. Tenant shall conduct any and all tests to determine if the Premises contains any hazardous materials. Tenant will be responsible for the abatement of any hazardous materials in the structures on the property that were existing prior to occupancy by the Tenant.

Tenant shall be responsible for all environmental mitigation and parking access measures described in Exhibit C, attached hereto.

16. ASSIGNMENT, SUBLETTING AND ENCUMBERING.

16.1 Assignment and Subletting.

(a) No assignment or transfer of this Lease by the Landlord shall be binding on the Tenant unless the assignee or transferee shall assume and agree to be bound by the terms of this

Lease and until notice of assignment or transfer together with an executed copy of such transfer instrument or assignment is received by Tenant.

(b) Tenant may not assign, sublet or transfer any or all of its rights or privileges under this Lease unless Landlord, in its sole discretion, first grants its written consent to such assignment, sublease or transfer. Landlord hereby consents to Tenant's sublease to the Los Angeles County Department of Children and Family Services. In the event Landlord grants its consent to such assignment, sublease or transfer, Tenant shall not be relieved of its obligations for the performance of all of the terms and conditions of this Lease including the payment of Rent, except as specifically set forth herein.

(c) Landlord may assign, sublet or transfer any or all of its rights or privileges under this Lease without the written consent or approval of Tenant.

16.2 Encumbrance or Assignment as Security.

Tenant shall not have the right to encumber its interest in this Lease with one or more encumbrances, in favor of any lender, including, without limitation, banks, savings and loans, and insurance companies, except with the prior written consent of Landlord in its sole discretion.

17. DEFAULTS AND REMEDIES.

17.1 Defaults.

Each of the following shall be deemed a "Default" under this Lease:

(a) if, after written notice, Tenant shall fail to pay any installment of Rent or other sum due under this Lease when due and payable, and such failure continues for a period of more than ten (10) days;

(b) if Tenant shall fail to perform any act or event designated as a "Default" under this Lease, and/or any other Term, covenant or condition of this Lease, and such failure continues for more than thirty (30) days after written notice from Landlord (or if the default is of such character as reasonably to require more than thirty (30) days to cure, then if Tenant shall fail within thirty (30) days after written notice from Landlord to commence and pursue with due diligence the curing of such default);

(c) if due to insolvency, Tenant is unable to use the Premises for intended purposes for a period up to 180 days, then Landlord shall have right to terminate the Lease; or

(d) if a receiver, guardian, conservator, trustee or assignee, or any other or similar officer or Person shall be appointed to take charge of the Premises or all or substantially all of Tenant's other property, and such appointment is not vacated within one hundred and eighty (180) days thereafter.

17.2 Remedies.

Upon occurrence of any Default, Landlord may, at its option and without any further demand or notice, do any of the following:

(a) Give Tenant written notice of Termination of this Lease and on the date specified in such notice Tenant's right to possession of the Premises shall cease and this Lease shall Terminate.

Upon such Termination, Landlord may reenter the Premises, and, subject to the rights of subtenants, Landlord may eject all parties in possession of the Premises through legal process and repossess and enjoy the Premises, in which event Landlord shall be entitled to recover from Tenant, in accordance with California Civil Code Section 1951.2 or successor statute, or otherwise, the following:

(1) the worth at the time of award of the amount of any obligations of Tenant which has accrued or been earned at the time of Termination provided that no ongoing maintenance charges after one hundred and eighty (180) days after termination of the lease shall be included;

(2) the worth at the time of award of the amount by which the unpaid Rent and all additional and further charges under this Lease which would have been earned after Termination until the time of award exceeds the amount of loss of such rental or other charges that Tenant proves could have been reasonably avoided provided that no ongoing maintenance charges after one hundred and eighty (180) days after termination of the lease shall be included ;

(3) the worth at the time of award of the amount by which the unpaid Rent and other charges for the balance of the Term of this Lease after the time of award exceeds the amount of loss of such rental and other charges that Tenant proves could be reasonably avoided provided that no ongoing maintenance charges after one hundred and eighty (180) days after termination of the lease shall be included; and

(4) any and all other amounts necessary to

compensate Landlord for all detriment, costs and expenses incurred by Landlord proximately caused by Tenant's default hereunder or which in the ordinary course of things would be likely to result therefore provided that no ongoing maintenance charges after one hundred and eighty (180) days after termination of the lease shall be included.

As used in clauses (1), (2) and (3) above, the "worth at the time of award" is computed by allowing interest at a rate equal to the maximum rate at the time of the award that a non-exempt lender is permitted to charge on loans for any use other than for personal, family or household purposes, under California Constitution Article XV, Section 1, as now in effect or hereafter from time to time amended. No effort by Landlord to mitigate the damages caused by Tenant's default hereunder shall waive or result in the waiver of any right of Landlord to recover damages under this Section 17.2(a). The amount recoverable by Landlord pursuant to clause (4) above shall include, but is not limited to, any costs or expenses incurred by Landlord in maintaining or preserving the Premises after such default, preparing the Premises for reletting to a new tenant, accomplishing any repairs or Alterations to the Premises for the purpose of such reletting, rectifying any damage thereto occasioned by the act or omission of Tenant or any other costs necessary or appropriate to relet the Premises.

(b) Without Terminating this Lease or Tenant's right to possession of the Premises or otherwise relieving Tenant of any obligation hereunder, Landlord may reenter the Premises, do all things necessary to preserve, maintain and repair the same, make

efforts it may deem desirable to relet the Premises, obtain at its option the appointment of a receiver to protect its interests under this Lease and continue to enforce all of its rights and remedies under this Lease.

(c) Landlord may at Landlord's election use Tenant's personal property and trade fixtures located on, about or appurtenant to the Premises without compensation and without liability for use or damage, or store them for the account and at the cost of Tenant. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item or for the same item at a later time.

(d) Tenant assigns to Landlord all sub rents and other sums falling due from subtenants, licensees, and concessionaires during any period in which Landlord has the right under this Lease, whether exercised or not, to reenter the Premises for Tenant's Default, and Tenant shall not have any right to such sums during that period. This assignment is subject and subordinate to any and all assignments of the same sub rents to the Permitted Lenders under any Permitted Encumbrances. Landlord may, at Landlord's election, reenter the Premises with process of law, without Terminating this Lease, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors. Landlord shall receive and collect all sub rents and proceeds from reletting, applying them: first, to the payment of reasonable expenses (including attorneys' fees or brokers' commissions or both) paid or incurred by or on behalf of Landlord in recovering possession, placing the Premises in good

condition, and preparing or altering the Premises for reletting; second, to the reasonable expense of securing new subtenants; third, to the fulfillment of Tenant's obligations to the end of the Term; and fourth, to the persons legally entitled thereto. Tenant shall nevertheless pay to Landlord on the due dates specified in this Lease the equivalent of all sums required of Tenant under this Lease, plus Landlord's expenses, less the proceeds of the sums assigned and actually collected under this Provision.

17.3 Cumulative Nature of Remedies.

The foregoing rights of Landlord pursuant to Section 17.2 shall be cumulative to all other rights or remedies now or hereafter given to Landlord by Law or in equity or by the Terms of this Lease.

17.4 Landlord's Right to Cure Breach.

Except (i) as set forth in Section 14, and (ii) in the event of an emergency which threatens life or material damage to property, at any time and without notice to Tenant or any other party, Landlord may, but is not obligated to, cure any of Tenant's failures to perform any covenant or Provision of this Lease at Tenant's cost. If Landlord, by reason of such failure by Tenant, pays any sum or does any act in accordance with this Section 17.4, the sum paid by Landlord plus the reasonable cost of performing such act shall be due as additional Rent within ten (10) days after written demand therefore by Landlord to Tenant. No such payment or act shall constitute a cure or waiver of the breach or a waiver of any remedy for Default or render Landlord liable for any loss or damage resulting from any such act.

17.5 Landlord's Default.

Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently and in good faith prosecute the cure to completion.

18. SURRENDER AND LANDLORD'S ENTRY.

18.1 Surrender.

(a) Good Order and Repair. Upon the Expiration or sooner Termination of this Lease, Tenant shall surrender the Premises to Landlord in good order, condition and repair, ordinary wear and tear, ordinary depreciation and obsolescence excepted. Tenant's permitted tenants, subtenants, licensees and concessionaires for space in the Premises shall have the right to remove their trade fixtures, furniture, furnishings and equipment from the Premises prior to the Expiration date or within thirty (30) days after the date of Termination provided they repair any damage to the Premises caused by said removal.

(b) Voluntary Surrender. Tenant may surrender the Premises to Landlord upon one hundred and eighty (180) days prior written notice at any time during the Term of this Lease. In such

event, Tenant shall be relieved of any and all obligations arising on or subsequent to the date the Lease is so surrendered to Landlord, provided, however that Tenant shall remain obligated on all obligations that arise prior to the date of such surrender.

18.2 Landlord's Entry on Premises.

Landlord and its Authorized Representatives shall have the right to enter the Premises during normal business hours upon reasonable prior notice to Tenant for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Lease;

(b) To do any necessary maintenance and to make any restoration to the Premises that Landlord has the right to perform;

(c) To serve, post, or keep posted any notices required or allowed under the Provisions of this Lease or pursuant to Law;

(d) To show the Premises to prospective brokers, agents, buyers, lenders, or Persons interested in a sale or exchange, at any time during the Term.

Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Section, except damage resulting from the gross negligence of Landlord or its Authorized Representatives.

Tenant shall not be entitled to an abatement or reduction of Rent if Landlord exercises any rights reserved in this Section.

Landlord shall conduct its activities on the Premises as allowed in this Section in a reasonable manner that will minimize any inconvenience, annoyance, or disturbance to Tenant and Tenant's subtenants.

19. NOTICES.

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations under this Lease made or given by either Party to the other shall be personally delivered or sent by reputable overnight courier or United States certified mail, return receipt requested, postage prepaid, and shall be deemed received upon delivery if personally served, one day after deposit with an overnight courier, or three days after deposit in the United States mails, if sent certified mail, return receipt requested, postage prepaid. Such notices shall be addressed as follows:

If to Landlord: Carlos Jackson, Executive Director
Community Development Commission of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Telephone: (323) 890-7400
Fax: (323) 890-8584

If to Tenant: Bruce McDaniels, Superintendent
Lennox School District
10319 S. Firmona Avenue
Lennox, CA 90304

Telephone: (310) 330-4950
Fax: (310) 677-3817

or to such other place or places as Landlord and Tenant may designate by written notice similarly delivered.

20. QUIET POSSESSION.

Tenant, upon paying the Rent herein provided and performing all of the other obligations of this Lease on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Premises during the Term hereof, as the same may be extended, without hindrance or molestation by Landlord, subject to all of the Provisions of this Lease.

21. GENERAL PROVISIONS.

21.1 Waiver.

The waiver by Landlord or Tenant of any breach by the other Party of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any

other term, covenant, or condition herein contained. The subsequent acceptance of Rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this Lease, other than the failure to pay the particular Rents so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

21.2 Intentionally Omitted.

21.3 Estoppel Certificates.

At any time and from time to time, within twenty (20) days after notice of request by either Party or any Permitted Lender, the Party so requested shall execute, acknowledge, and deliver to the requesting Party, or to such other recipient as the notice shall direct, a statement certifying that this Lease is unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured Defaults or failures to perform any covenant or Provision of this Lease on the part of the other Party hereto or specifying any such Defaults or failures which are claimed to exist. The statement shall also state the dates to which the Rent and any other charges have been paid in advance. The statement shall be such that it can be relied on by any auditor, creditor, banker, and investment banker of either Party and by any prospective purchaser or mortgagee of the Premises or all or any part or parts of Tenant's or Landlord's interests under this Lease.

21.4 Entire Agreement; Modification.

Except for any other agreements executed contemporaneously herewith, this Lease contains the entire agreement between the Parties. No verbal agreement or implied covenant unless included in such a contemporaneous agreement shall be held to vary the Provisions hereof, any statements, Law or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Lease has been or is relied on by either Party. Each Party has relied on its own inspection of the Premises and examination of this Lease, the counsel of its own advisors, and the warranties, representations, and covenants in this Lease itself. The failure or refusal of either Party to inspect the Premises, to read this Lease or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice.

No Provision of this Lease may be amended or varied except by an agreement in writing signed by the Parties.

21.5 Recording.

At Tenant's request, Landlord and Tenant shall enter into a short form memorandum of this Lease, in suitable form for recording, which shall be recorded at Tenant's expense upon commencement of the Term.

21.6 Governing Law.

The Lease shall be governed by and interpreted under the laws of the State of California.

21.7 Successors.

The covenants, conditions and agreements of this Lease shall be binding upon and shall inure to the benefit of the heirs, representatives, successors and assigns of the Parties hereto.

21.8 Severability.

If the Provisions of this Lease shall for any reason be held to be invalid, illegal or unenforceable by any court of competent jurisdiction, the validity of the other Provisions of this Lease shall in no way be affected thereby, and this Lease shall be construed as though such invalid, illegal or unenforceable Provisions had never been contained herein, provided that such construction does not materially alter the rights or obligations of either Party hereunder.

21.9 Singular and Plural; Gender.

Whenever the singular number is used in this Lease and the context requires, the same shall include the plural. Further, when used in this Lease and the context requires, the neuter gender shall include the feminine and masculine, the masculine shall include the feminine and neuter, the feminine shall include the masculine and neuter, and each shall include any reference to a corporation, partnership, trust, or other legal entity.

21.10 Termination for Improper Consideration.

The Commission may, by written notice to Tenant, immediately terminate the right of Tenant to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Tenant, either directly or through an intermediary, to any Commission officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award,

amendment or extension of the Agreement or the making of any determinations with respect to the Tenant's performance pursuant to the Agreement. In the event of such termination, Commission shall be entitled to pursue the same remedies against the Tenant as it could pursue in the event of default by the Tenant.

Tenant shall immediately report any attempt by a Commission officer or employee to solicit such improper consideration. The report shall be made to the Commission manager charged with the supervision of the employee or the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0491 or (800) 544-6861

21.11 Right to Audit.

The Commission, the United States Department of Housing and Urban Development (HUD), the United States General Accounting Office, or any of their duly authorized representatives shall have access to any books, documents, papers and records of the Tenant and/or its subcontractors which are directly pertinent to the services being provided hereunder for the purpose of making an audit, an examination, excerpts and transcriptions. Tenant shall be given notice of at least 72 hours to provide access to such books, documents, papers, and records. All books, records and supporting detail shall be retained for a period of five years after the expiration of the term of this Agreement or for any longer period of time as required by law.

21.12 Time.

Time is of the essence of this Lease. To the extent any approvals are required of Landlord under this Agreement, such

approvals or disapprovals shall be given within sixty (60) days of receipt by Landlord of a request by Tenant for an approval of Landlord, unless the time frame for said approval is specified in this Lease.

21.13 Captions.

The captions of the sections of this Lease are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

21.14 Brokers.

Each Party warrants to and for the benefit of the other that it has had no dealings with any real estate broker or other agent (attorneys excepted) in connection with the negotiation or making of this Lease.

21.15 Joint and Several Obligations.

"Party" shall mean Landlord or Tenant; and if more than one Person is Landlord or Tenant, the obligations imposed on that Party shall be joint and several.

21.16 Non-Recourse.

Notwithstanding any other provision or section of this Agreement, no recourse shall be had by Landlord to Tenant's directors, officers, employees, agents and attorneys for any obligation, including, but not limited to any indemnity obligations, of Tenant hereunder, except for any event of willful misconduct.

21.17 Force Majeure.

Except as provided below, any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability

to obtain labor or materials or reasonable substitutes therefore, extraordinary governmental restrictions, regulations or controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the control of the Party obligated to perform any term, covenant or condition of this Lease, shall excuse the performance by such Party for a period equal to any such prevention, delay or stoppage, except the obligations imposed with regard to Rent or Landlord's financial obligations pursuant to this Lease, unless abatement is provided for in those instances under this Lease.

Either Party encountering such force majeure delays shall send written notice thereof to the other Party no later than twenty (20) days after the commencement of such force majeure delay. If the Party encountering such force majeure delay fails to send notice thereof to the other Party within twenty (20) days after the commencement of such delay, then any alleged delay occurring more than twenty (20) days prior to the date of such notice shall not be deemed to extend any time for performance set forth herein.

21.18 Conflict of Documents

To the extent of any inconsistency between this Lease and any other related agreements, the terms of this Lease shall prevail.

21.19 Commission's Quality Assurance Plan.

The Commission or its agent will evaluate Contractor's performance under this Agreement or not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Tenant deficiencies

which Commission determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board of Commissioners. The report will include improvement/corrective action measures taken by the Commission and Tenant. If improvement does not occur consistent with the corrective action measures, Commission may terminate this Agreement or seek other remedies as specified in this Agreement.

21.20 Compliance with Laws.

Tenant agrees to be bound by applicable federal, state, and local laws, regulations and directives as they pertain to the performance of the Agreement, including, but not limited to, Section a-g below. This Agreement is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzales National Affordable Housing Act, 1990 and the Code of Federal Regulations (CFR) Title 24, Part 85.

a. Civil Rights Act of 1964. Title VI

Tenant shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

b. Section 109 of HUD Act of 1974

Tenant shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied

the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

- c. Section 3 of the Housing and Community Development Act of 1968, As Amended, 12 U.S.C. 1701 Et Seq.

Tenant shall comply with Section 3 of the Housing and Community Development Act of 1968, as amended 12 U.S.C. 1701 Et Seq. which requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

- d. Federal Lobbyist Requirements

The Tenant is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 Code of Federal Regulations (CFR) 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification of said documents.

The Tenant must certify in writing that they are familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Tenant will comply with the Lobbyist Requirements.

Failure on the part of the Tenant or persons/subcontractors acting on behalf of this Agreement to fully comply with the Federal Lobbyist Requirements shall be subject to civil penalties.

e. County Lobbyist Ordinance

Tenant and each County lobbyist or County lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by the Tenant, shall fully comply with the requirements as set forth in said County Code. The Tenant must also certify in writing that they are familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on behalf of the Contractor will comply with the County Code.

21.21 Conflict of Interest.

The Tenant represents, warrants and agrees that to the best of its knowledge, it does not presently have, nor will it acquire during the term of this Agreement, any interest direct or indirect, by contract, employment or otherwise, or as a partner, joint venturer or shareholder (other than as a shareholder holding a one percent (1%) or less interest in publicly traded companies) or affiliate with any business or business entity that has entered into any contract, subcontract or arrangement with the Commission. Upon execution of this Agreement and during its term, as appropriate, the Tenant shall

disclose in writing to the Commission any other contract or employment during the term of this Agreement by any other persons, business or corporation in which employment will or may likely develop a conflict of interest between the Commission's interest and the interest of the third parties.

21.22 Access and Retention of Records.

Tenant shall provide access to the Commission, the Federal Grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to the specific contract for the purpose of making audits, examinations, excerpts and transcriptions. The Tenant is required to retain the aforementioned records for a period of five years after the Commission pays final payment and other pending matters are closed under this Agreement.

21.23 Confidentiality of Reports.

Tenant shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any persons, firm, corporation or entity without the prior written consent of the Commission.

21.24 Safety Standards and Accident Prevention.

The Tenant shall comply with all applicable federal, state and local laws governing safety, health and sanitation. The Tenant shall provide all safeguards, safety devices and protective equipment and take any other needed actions, as its own responsibility,

reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of this Agreement.

21.25 Drug-Free Workplace Act of the State of California.

Tenant certifies under penalty of perjury under the laws of the State of California that the Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990.

21.26 Interpretation.

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be constructed as if it were drafted by both parties hereto.

21.27 Waiver.

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall be deemed to be a waiver of any breach of the same or any other provision hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this
Lease as of the date first above written.

LANDLORD:

TENANT:

COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

LENNOX SCHOOL DISTRICT

BY: _____
CARLOS JACKSON,
EXECUTIVE DIRECTOR

By: _____
BRUCE MCDANIELS,
SUPERINTEDENT

Date: _____

Date: _____

APPROVED AS TO FORM:
LLOYD W. PELLMAN
COUNTY COUNSEL

BY: _____
Deputy

EXHIBIT A
TO
LEASE

LEGAL DESCRIPTION

THE NORTH 150 FEET OF THE EAST 52 ½ FEET OF LOT 2 OF TRACT NO. 546, RECORDED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGE 32 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Commonly known as 4944 LENNOX BLVD., LENNOX, CA.

EXHIBIT B
TO
LEASE

PRELIMINARY TITLE REPORT

EXHIBIT C
TO LEASE

ENVIRONMENTAL MITIGATION MEASURES
Lennox School Readiness Center Renovation

The following environmental mitigation measures must be included as part of the project to alleviate adverse environmental impacts. The environmental clearance is conditioned upon the implementation by the Lennox School District of all special conditions/mitigation measures:

1. Based upon the pre-1979 age of the main house and garage, it is likely that some of the building materials contain asbestos (ACM) and/or lead-based paint (LBP). Suspected asbestos containing materials include flooring materials, wall materials and roofing materials. Prior to renovation of the building and demolition of the garage, surveys shall be undertaken to determine their presence. If ACM and LBP are identified during the surveys, removal, disposal, and /or handling of the materials shall be conducted in accordance with applicable regulations.
2. Access between the main house and the adjacent School District parking lot must be provided through the installation of a pedestrian gate, to insure the availability of adequate parking.

EXHIBIT D
TO LEASE

MAINTENANCE AGREEMENT

THIS MAINTENANCE AGREEMENT ("Agreement") is hereby entered into by and between the Lennox School District, a California non-profit corporation ("Tenant") and THE COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body corporate and politic ("Landlord"), as of the ____ day of _____, 2003

R E C I T A L S

A. The Landlord and the Tenant have entered into a Lease Agreement ("Lease Agreement") on _____ 2003, for the leasing of a single-family house located on certain real property ("Site") located at 4944 Lennox Blvd., CA. in unincorporated Los Angeles which is more particularly described on Exhibit D-1 attached hereto and made a part hereof. The Lease Agreement requires that Tenant shall maintain the improvements to the curb line and the landscaping on the Site in accordance with this Maintenance Agreement.

B. The Landlord and the Tenant desire to set forth herein their respective rights and obligations and the maintenance standards (including without limitation the definition of "Commission Standards") concerning the maintenance of all the improvements, public and private, onsite and offsite in the public right-of-way to the back of the curb line(s) abutting the boundary of the Site ("improvements to the curb line" hereafter).

NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

I. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to set forth general maintenance standards and obligations of Tenant in its maintenance of the private and public improvements on and within the Site to the back of the curb line.

II. PARTIES TO THE AGREEMENT

The Community Development Commission of the County of Los Angeles is a public body corporate and politic of the State of California. The "Landlord" as used in this Agreement includes the Community Development Commission of the County of Los Angeles and any assignee of or successor to its rights, powers, and responsibilities. The "Tenant" as used in this Agreement is the Lennox School District, which is duly operating and doing business under the laws of the State of California.

III. REPRESENTATIVE OF THE PARTIES AND SERVICES OF NOTICES

The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

Landlord: Carlos Jackson, Executive Director
Community Development Commission of
the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

Tenant: Bruce McDaniels, Superintendent
Lennox School District
10319 S. Firmona Avenue
Lennox, CA 90304

Formal notices, demands and communications to be given hereunder by any party shall be made in writing and may be effected by personal delivery, telecopy, overnight delivery service or by registered or certified mail, postage prepaid, return receipt requested. Notices that are properly mailed shall be deemed communicated as of 5:00 p.m. two (2) days after the date of mailing.

If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accordance with this section, within five (5) working days of said change.

IV. PERFORMANCE OF MAINTENANCE

A. Tenant shall maintain or cause to be maintained, for the term of the Lease Agreement, in accordance with Commission Standards, as hereinafter defined, the private improvements, public improvements and landscaping to the curb line(s) on and abutting the Site. Said improvements shall include, but not be limited to, buildings, sidewalks and other paved areas, pedestrian lighting, landscaping, irrigation of landscaping, architectural elements identifying the Site and any and all other improvements on the Site and in the public right-of-way to the nearest curb line(s) abutting the Site.

B. To accomplish the maintenance, Tenant shall either hire staff or contract with and hire licensed and qualified personnel to perform the maintenance work, including the provision of labor, equipment, materials, support facilities, and any and all other items necessary to comply with the requirements of this Agreement.

C. Commission Standards: The following standards ("Commission Standards") shall be complied with by Tenant and its maintenance staff, contractors or subcontractors:

1. Ordinary Maintenance Standards - The Tenant shall maintain the dwelling units and Site in good repair, order and condition at all times in order to assure that the housing on the Site is kept in a decent, safe, and sanitary condition, and that the buildings, grounds, and equipment are to be maintained in a manner that will preserve their condition. The Tenant shall perform any repairs or replacements necessary in order to maintain the Site in accordance with the Ordinary Maintenance Standards, set forth on Attachment D-1 and incorporated herein by this reference.

2. Annual Inspection Standards - The Tenant shall annually inspect the Site in accordance with the Annual Inspection Standards, set forth on Attachment D-3 and incorporated herein by this reference. The completed annual inspection will be documented and reported to the Landlord on an annual basis, and at the end of each year the Tenant shall submit to the Landlord a declaration certifying that the annual inspection, as set forth in Attachment D-3, was performed at the Site. The Tenant shall retain records of the inspection and make them available for review by the Landlord at the request of the Landlord.
3. Preventative Maintenance Standards - The Tenant shall annually inspect the Site in accordance with the Preventative Maintenance Standards, set forth on Attachment D-4 and incorporated herein by this reference. The completed preventative maintenance work will be documented and reported to the Landlord on an annual basis, and at the end of each year the Tenant shall submit to the Landlord a declaration certifying that the preventative maintenance, as set forth in Attachment D-4, was performed at the Site. The Tenant shall retain records of the inspection and make them available for review by the Landlord at the request of the Landlord.
4. Extraordinary Maintenance - The Landlord shall not perform any extraordinary repairs or replacements necessary in order to maintain the Site, including extraordinary replacement of equipment, betterment, and additions, except to the extent that these result from or are necessitated by the negligence of or neglect of the Tenant, in which case Tenant shall repay Landlord for such expenses within sixty (60) days of written notification by Landlord. Tenant shall be responsible for extraordinary repairs or replacement consisting of major repairs and rehabilitation involving substantial expenditures, which usually are needed only at relatively long intervals of time.

D. The Landlord may enter and inspect the premises at any time after notifying the Tenant 72 hours prior to the planned inspection, and said notice shall be delivered to the Tenant at the address indicated in paragraph III above.

V. FAILURE TO MAINTAIN IMPROVEMENTS

In the event Tenant does not maintain the Site improvements to the curb line(s) in the manner set forth herein and in accordance with Commission Standards, Landlord shall have the right to maintain such private and/or public improvements, or to contract for the correction of such deficiencies, after written notice to Tenant. However, prior to taking any such action, Landlord agrees to notify Tenant in writing if the condition of said improvements does not meet with Commission Standards and to specify the deficiencies and the actions required to be taken by Tenant to cure the deficiencies. Upon notification of any maintenance deficiency, Tenant shall have thirty (30) days within which to correct, remedy or cure the deficiency. If the written notification states the problem is urgent relating to public health and safety, then Tenant shall have forty-eight (48) hours to rectify the problem.

In the event Tenant fails to correct, remedy, or cure such maintenance deficiency after notification and after the period of correction has lapsed, then Landlord shall have the right to maintain such improvements. Tenant agrees to pay Landlord such maintenance charges and costs incurred during the term of the Lease Agreement. Until so paid, Landlord shall have a lien on the Site for the amount of such maintenance charges or costs, which lien shall be perfected by the recordation of a "Notice of Claim of Lien" against the Site. Upon recordation of a Notice of a Claim of Lien against the Site, such lien shall constitute a lien on the leasehold interest in and to the Site prior and superior to all other monetary liens except: (i) all taxes, bonds, assessments, and other levies which by law would be superior thereto; (ii) the lien or charges of any mortgage, deed of trust, or other security interest then of record made in good faith and for value, it being understood that the priority for any such lien for costs incurred to comply with this Agreement shall date from the date of the recordation of the Notice of Claim of Lien. Any such lien shall be subject and subordinate to any lease or sublease of the interest of Tenant in the Site or any portion thereof and to any easement affecting the Site or

Exhibit D

any portion thereof entered into at any time (either before or after) the date of recordation of such a Notice. Any lien in favor of Landlord created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed of trust made in good faith and for value, recorded as of the date of the recordation of the Notice of Claim of Lien describing such lien as aforesaid, and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of any such mortgage or deed of trust, unless the mortgage or beneficiary hereunder expressly subordinates his interest, or record, to such lien. No lien in favor of the Landlord created or claimed hereunder shall in any way defeat, invalidate, or impair the obligation or priority of any lease, sublease or easement unless such instrument is expressly subordinated to such lien. Upon foreclosure of any mortgage or deed of trust made in good faith and for value and recorded prior to the recordation of any unsatisfied Notice of Claim of Lien, the foreclosure-purchaser shall take title to the Site free of any lien imposed herein by the Landlord that has accrued up to the time of the foreclosure sale, and upon taking title to the Site, such foreclosure-purchaser shall only be obligated to pay costs associated with this Agreement accruing after the foreclosure-purchaser acquires title to the Site. If the Site is ever legally divided with the written approval of the Landlord and fee title to various portions of the Site is held under separate Tenants, then the burdens of the maintenance obligations set forth herein and in the Agreement and the charges levied by the Landlord to reimburse the Landlord for the cost of undertaking such maintenance obligations of Tenant and its successors and the lien for such charges shall be apportioned among the fee Tenants of the various portions of the Site under different Tenants proportionate to the square footage of the land contained in the respective portions of the Site owned by them. Upon apportionment, no separate Tenant of a portion of the Site shall have any liability for the apportioned liabilities of any other separate Tenant of another portion of the Site, and the lien shall be similarly apportioned and shall only constitute a lien against the portion of the Site owned in fee by the Tenant who is liable for the apportioned lien and against no other portion of the Site. Tenant

acknowledges and agrees Landlord may also pursue any and all other remedies available in law or equity. Tenant shall be liable for any and all attorneys' fees, and other legal costs or fees incurred in collecting said maintenance costs.

VI. COMPLIANCE WITH LAW

Tenant shall comply with all local, state and federal laws relating to the uses of or condition of the Site private improvements and public improvements to the curb line(s). As specified in the above, Tenant or Landlord can terminate this Agreement under Sections 3.1. Local laws for the purposes of this section shall include only those ordinances that are nondiscriminatory in nature and applicable to the public welfare, health, safety and aesthetics. If any new local laws relating to the uses of or condition of the improvements create a condition or situation that constitutes a lawful nonconforming use as defined by local ordinance with respect to the Site or any portion thereof, then so long as the lawful nonconforming use status remains in effect (i.e., until such lawful status is properly terminated by amortization as provided for in the new local law or otherwise), Tenant shall be entitled to enjoy the benefits of such lawful nonconforming use pursuant to the lawful nonconforming uses ordinance.

VII. WAIVER

Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The aggrieved party shall give written notice of the default to the party in default as set forth in paragraph III hereof. If the defaulting party within a reasonable time commences to cure, correct, or remedy such default, and shall complete such cure, correction or remedy with reasonable and due diligence, within a thirty (30) day period or such longer period as reasonably determined by the Landlord if the default cannot be cured within thirty (30) days, then the defaulting party shall no longer be in default.

The waiver by one party of the performance of any covenant, condition, or promise shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise hereunder. The exercise of any remedy shall not preclude the exercise of other remedies Landlord or Tenant may have at law or at equity.

VIII. MODIFICATION

This Agreement may be modified only by subsequent mutual written agreement executed by Tenant and Landlord.

IX. ATTORNEY'S FEES

In the event of litigation arising out of any breach of this Agreement, the prevailing party shall be entitled to recover reasonable costs and attorney's fees.

IN WITNESS WHEREOF, the Parties hereto have executed
this Lease as of the date first above written

LANDLORD:

COMMUNITY DEVELOPMENT COMMISSION
COUNTY OF LOS ANGELES

By: _____
CARLOS JACKSON,
EXECUTIVE DIRECTOR

DATE

APPROVED AS TO FORM:
LLOYD W. PELLMAN
COUNTY COUNSEL

BY: _____
DEPUTY

TENANT:

LENNOX SCHOOL DISTRICT

By: _____
BRUCE MCDANIELS,
SUPERINTENDENT

DATE

EXHIBIT D-1

LEGAL DESCRIPTION

THE NORTH 150 FEET OF THE EAST 52 ½ FEET OF LOT 2 OF TRACT NO. 546,
RECORDED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA,
AS PER MAP RECORDED IN BOOK 15, PAGE 32 OF MAPS, IN THE OFFICE OF
THE COUNTY RECORDER OF SAID COUNTY.

Commonly known as 4944 LENNOX BLVD., LENNOX, CA.

**COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS
ANGELES
COMMISSION STANDARDS**

**Exhibit D-2
ORDINARY MAINTENANCE AND REPAIRS**

Ordinary maintenance is the routine work of keeping the buildings, grounds, and equipment in such condition that they may be utilized continually at their original or designed capacities and efficiencies for their intended purposes. Minor repair is the restoration of the facility to a condition substantially equivalent to its original capacity. Minor replacement is the substitution of component parts of equipment to extend its useful life.

In order to assure that the housing on the Site is kept in a decent, safe, and sanitary condition, the buildings, grounds, and equipment are to be maintained in a manner that will preserve their condition. "Grounds" includes lawns, roads, walks and other paved areas, trees and plants, fences, play areas, drainage facilities, etc. "Buildings" includes roofs, attic spaces, gutters and downspouts, walls, porches, foundations, crawl spaces, windows, floors, doors, etc. "Equipment" covers all items such as utility lines and piping, heating and plumbing equipment, pumps and tanks, ranges and refrigerators, tools, etc.

Set forth below are the standards for the degree of maintenance, repair and cleaning necessary to qualify as "safe, decent and sanitary". The Standards describe the minimum level of cosmetic repair and degree of cleanliness necessary to effectively market the dwelling units and to satisfy the needs of prospective residents. In brief, the property and single-family house are to be free of all defects (as described herein) and have an appealing and desirable appearance.

EXTERIOR PROPERTY AREAS

A. Sanitation. Yards shall be clean and sanitary. All rubbish, garbage, trash, litter, debris, and abandoned personal property are to be removed from the grass, walks, steps, parking areas, and other grounds, as well as the roofs, gutters and window wells.

B. Lawn Maintenance. Grounds shall be examined for proper drainage and, if necessary, graded to prevent the accumulation of stagnant water and to prevent water from seeping into building structures. All soil areas shall be sodded or seeded, as necessary, to prevent erosion, except garden areas at scattered sites. Weeds, saplings and uncut grass along the foundations of the house and garage, the fences, the walks, the parking areas, the sidewalk expansion joints and the window wells are to be removed. All grounds are to be free of noxious weeds. Bushes, hedges and trees are to be trimmed, if necessary. Grass shall be cut as often as necessary so that it does not exceed five (5) inches in height. The yard will be raked, as necessary.

C. Walks and Steps. Cracks and Breakage. All front walks, sidewalks, rear walks, steps, driveways and parking pads shall be maintained in such a manner that there are no cracks or heaves large enough to create a safety hazard. Remove chipped and loose pieces of concrete and asphalt, as needed. Remove all graffiti.

EXTERIOR STRUCTURES -- DWELLING AND GARAGE

D. Foundation, Walls, and Roof. All exterior surfaces shall be maintained in good repair. They shall be free of holes, significant cracks, breaks and loose materials to provide a sufficient covering for the underlying structural surface and prevent any moisture from entering the dwelling. If the protective surface is paint, and if more than 25% of the area is blistered, cracked, flaked, scaled, or chalked away, it shall be repainted, weather permitting. All dirt, unsightly stains and graffiti

are to be removed. Prime doors shall open and close smoothly. Each prime door shall have a properly working dead bolt lock with a newly changed cylinder.

E. Screens. Every window shall have a screen that fits tightly and securely to the frame. Each screen shall be free of holes large enough for insects to penetrate or tears longer than 1".

F. Gutters and Downspouts. If the structure has gutters and downspouts, they are to be secured to the structure and free of leaves and other debris.

G. Garage. Overhead and service doors are to open and close smoothly and lock. Remove all loose contents from the interior. Wipe up surface oil drippings and spills. Broom sweep the floor.

H. Faucets. Faucets and handles shall work properly.

I. Miscellaneous. Mailboxes, guardrails, railings, exterior lights, fences and clothes line poles shall be properly anchored. The Doorbell shall operate properly.

J. Wall Graffiti. Any wall graffiti and other unsightly markings on exterior walls are to be removed daily. If the graffiti is offensive in nature (profanity, gang slogans, etc.) it will be removed immediately. Those deficiencies that are discovered during the winter that require warm weather to properly correct are to be noted for summer repair.

INTERIOR PROPERTY AREAS

K. Walls and Ceilings. All holes over one inch in diameter are to be filled. All cracks are to be filled or taped and plastered. All holes of one inch in diameter or less are to be filled if they are present in sufficient number to give the surface an undesirable appearance. All patches are to be sanded smooth. All wet plaster shall be neatly primed. In cases of extensive repair, the entire wall shall be primed.

L. Doors, Hardware, Room Trim, and Handrails. All surfaces shall be clean and free of splashed or spilled paint. Doors shall open, close and latch smoothly and properly. Door stops shall be installed for each door and be clean and intact. Handrails shall be secure.

M. Floors, Stairs, Baseboards, and Corners. Remove all rubbish, garbage, trash, litter, debris and abandoned personal property. All surfaces shall be swept or vacuumed. Carpet, if installed, shall be vacuumed, and, if it smells badly, has paint spills, or is dirty or stained, shall be shampooed.

N. Window Areas. Tracks shall be free from dust, dirt and debris and lubricated so that windows slide smoothly and close tightly. Frames and sills shall be free of dust, dirt and mold. Curtain rods are to be securely installed over each window opening unless drapery rods are already in place. New, or "like new", window shades are to be installed over each bedroom window and non-opaque bathroom window. Dispose of and replace drapes and curtains in poor condition or that are dirty. Window panes shall be intact, i.e., without holes, chips, missing pieces or cracks, except for short corner cracks. Reputty the windows, if necessary. Window locks and other hardware shall function properly.

O. Electrical Fixtures, Outlets, Switch Plates, and Outlet Plates. Each light fixture socket shall have a working light bulb. Each light fixture in the living areas shall have a clean globe, lens or shade. Test each switch, socket, and outlet and repair, if necessary. Light switch cover plates and electrical outlet cover plates shall be clean, i.e., free of dirt, grease, grime and paint, and shall be in good condition and intact, i.e., free of chips and cracks.

P. Plumbing Fixtures.

i. Faucets shall have adequate water flow. Handles shall turn "on" and "off" easily and smoothly. Faucets shall not leak when "on" or "off". Each faucet shall have a properly installed and functioning aerator, if so designed.

ii. Drains shall be tested by a 30 second luke warm water run to assure no leakage. Water shall empty from the sinks and tubs quickly. The drain pipe shall look and feel dry. Each drain shall have a stopper or a basket.

iii. Sinks and tubs shall be free of surface cracks or chips over one inch in length.

iv. Toilets shall operate properly. Toilet seats and covers shall be in "like new" condition with no surface finish loss whatsoever.

v. Other plumbing and related fixtures, such as kitchen sprayers, shower doors, and water main shutoffs shall work properly.

Q. Cabinets. Kitchen, medicine and other storage cabinet's doors and drawers shall open and close freely. The attendant hardware shall be clean, secure, and operate properly.

R. Stoves. All parts shall work properly. The exhaust fan filter shall be changed or washed, if applicable. Each oven shall have an appliance bulb, broiler drip pan and cover and two oven racks.

S. Heat Vents, Grilles and Cold Air Return Grates. There shall be no broken or bent grille work. Grilles and grates shall be kept free of dirt, dust, grime and debris.

T. Thermostat and Smoke Detector. The thermostat and smoke detector shall be clean, intact, and free of paint and tested to operate properly.

Exhibit D-2
5

U. Water Heater. The ceiling, window openings, walls, pipes, ductwork, furnace and water heater are to be free of dirt, grease, spider webs and cobwebs. The floor shall be broom swept clean of loose dirt and litter. Windows and laundry tubs shall be washed if dirty. Any basement bathroom interior and fixtures shall be kept clean. The furnace and water heater shall be tested to work properly, and furnace filter replaced as needed. Cap and close valve on unused gas lines. Seal dryer vent.

V. Attic. Accessible attic shall be free of litter.

W. Common Areas. The common areas and the entrances shall be inspected, repaired, and cleaned as necessary.

X. Pest Control. The Site shall be free of all insect vermin. Remove all insect vermin. Inspect for other vermin and exterminate, if necessary.

COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS
ANGELES

COMMISSION STANDARDS

Exhibit D-3
ANNUAL INSPECTION STANDARDS

In order to ensure that the property is maintained in a safe, sanitary, decent condition, the Tenant shall conduct a planned annual physical inspection of each dwelling unit, every building, and all other facilities with a record of any item requiring repair or replacement. This will include such items as plaster repairs, painting, termite inspection, roof deterioration, overloading of electric circuits, corrosion control, floors, windows and screens, ranges, refrigerators, fixtures and equipment. The inspection shall be made to the following standard:

SCHOOL OFFICE -

FLOORS (CARPET): Clean; no tears; no readily noticed marks or stains.

FLOORS (VINYL TILE): Clean; unbroken; no cracks; no unmatched tiles.

WALLS (PAINTED): Clean; smooth, unbroken surface (no holes); no marks; no peeling paint; covering at floor intact, clean.

WALLS (CERAMIC TILE): Tiles in place, secure, uncracked, unmarked (and free of paint); grout intact, uncracked, clean; covering at floor intact, clean.

CEILINGS (SPACKLED): Clean, consistent texture; no marks; no surface breaks.

WINDOWS: Clean; glass unbroken, uncracked; frames secure; latches secure and easily operated; movable parts operate smoothly and easily; screens in place, untorn, movable parts operate smoothly and easily; weather-stripping intact and secure.

DRAPES: In place; clean, uniform appearance; no holes, tear; operating mechanism in place, opens/closes smoothly and easily.

DOORS: Door and jambs intact and secure; surface unbroken and with uniform, finished appearance; hardware (hinges, knobs, locks) operate smoothly and easily; door stops in place, secure.

CLOSET FIXTURES: Rods, shelves in place, clean, unbroken and unmarked.

ELECTRIC RECEPTACLES AND WALL SWITCHES: Fixtures and cover plates intact and unbroken; 110 volt service available; surfaces clean with no evidence of burns on the cover plates. Bathroom and kitchen receptacles protected by Ground Fault Interrupters.

LIGHT FIXTURES: Lamps, sockets, covers and control devices in place, intact, clean, secure, unbroken and operable.

HEATING, AIR COOLING EQUIPMENT: Thermostat operating properly (room temperature within 5 degrees of setting); heating zone valve leak-free; base-board heating fixtures intact, clean.

VENTILATION FANS/HOODS: Fans and lights operable without excessive noise or vibration; filters in place, intact and clean.

KITCHEN CABINETS: Doors, drawers, shelves and hardware in place, clean, intact; surfaces of smooth, unbroken, uniform appearance; all movable parts operate smoothly and easily.

KITCHEN COUNTERTOPS: Surface smooth, unbroken, unmarked, uniform color.

KITCHEN RANGE: External and internal surfaces intact and clean (including under top cover); controls function smoothly and easily, surface burners, bake and broil elements ignite and maintain design performance; doors and drawers operate smoothly and easily.

GARBAGE DISPOSAL: Clean, intact, working properly without excessive noise; splashguard in place, intact, firm.

SINK: Faucets operate providing a sufficient flow of water (2 to 3 gallons/minute) and shut off free of drips; no evidence of water leakage on top of sink or at drain under sink; drains flow freely with no backup with faucets open fully; sink surface clean, unbroken with no marks or discoloration.

BATHTUB/SHOWER: Faucets operate providing a sufficient flow of water (3 to 5 gallons/minute) and shut off free of drips; drains flow freely with no backup with faucets open fully; tub surface clean, unbroken with no marks or discoloration; grout intact, clean and unbroken; hot water temperature between 105 and 120 degrees (110 degrees at the tap recommended).

MEDICINE CABINET: In place, intact, mounted securely; surface unbroken; mirror intact, clean, uncracked; shelves in place, clean, intact; door intact, operates smoothly and easily, closes securely.

BATHROOM SINK COUNTERTOP: Clean, intact; surfaces of smooth, unbroken, uniform appearance.

BATHROOM TOWEL BARS, GRAB BARS, SOAP DISH AND TOILET PAPER HOLDER: In place, clean, intact and secure.

TOILET: Intact, mounted securely; no evidence of leakage at the wax ring; no evidence of softness or spring in the toilet base; flushed properly draining all solid waste; after flush, tank refills quickly (20 to 30 seconds); no water leakage into the tank or into the bowl at completion of the flush cycle; seat secure, with clean unbroken surface.

PESTS, VERMIN: No evidence of presence/infestation.

SMOKE DETECTORS: Operate when tested with approved smoke-tester.

SAFETY EQUIPMENT: Fire extinguishers inspected and adequately charged.

COMMON AREAS, GROUNDS AND STRUCTURES -

LOBBY AND HALLWAY FLOORS (CARPET): Free of obstruction and litter; clean; no tears, marks, stains; carpet seams secure.

LOBBY AND HALLWAY FLOORS (VINYL TILE): Free of obstruction and litter; clean; unbroken; no cracks; no unmatched tiles.

WALLS AND CEILINGS (PAINTED): Clean; free of defacing; smooth, unbroken surface (no holes); no marks; no peeling paint; covering at floor intact, clean.

INTERIOR AND EXTERIOR LIGHT FIXTURES: Lamps, sockets, covers and control devices in place, intact, clean, secure, unbroken and operable.

DOORS: Door and frames intact and secure; surface unbroken and with uniform, finished appearance (free of defacing); hardware (hinges, knobs, locks) operate smoothly and easily; door stops in place, secure.

MAILBOX: Clean; clearly labeled; and secure

FIRE EXITS: Doors and exits smoothly and easily operable; signs clearly marked, visible secure and intact.

ENTRANCES: Unit number clearly identified; and doors secure.

UTILITY ROOM: Clean, free of odors; doors in place and secure; stored items orderly.

FIRE ALARM SYSTEMS: Inspected by safety inspectors within specified frequency.

FIRE EXTINGUISHERS: In place; filled; inspected with specified frequency.

DRIVEWAY AND PARKING LOT: Clean; litter and graffiti-free; free of obstructions (especially abandoned or inoperable vehicles); surface unbroken, free of oil stains; painted stripes clearly visible; handicapped parking signs clearly visible.

GROUND AND STRUCTURES

SIDEWALKS AND STAIRWELLS: Clean; litter and graffiti-free; free of obstructions; smooth, unbroken surface (free of tripping hazards).

UTILITY METERS: Intact, covers secure.

TRASH AREAS: Free of debris; containers and covers secure, free of graffiti, in good repair.

ROOF: Surface unbroken; no sign of puddling; free of litter, foreign objects; flashing intact and sealed; stacks and vents free of obstruction; gutters and downspouts clean, clear and secure.

LAWN: Grass trimmed to no more than 3" high; litter-free; borders edged; weed-free; no bare spots.

TREES AND SHRUBS: Trimmed and pruned in season; no obstruction of walkways or overhang.

COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS
ANGELES

COMMISSION STANDARDS

Exhibit D-4
PREVENTATIVE MAINTENANCE STANDARDS

Preventive maintenance based on regular methodical inspections is the action taken to avoid or minimize the need for more costly measures at some future time. It is performed prior to actual breakdown thereby preventing costly replacements and, in the case of operating equipment, lengthy shutdown. Effective preventive maintenance reduces long-range operating costs and lessens the necessity for major restorations and improvements. Preventive maintenance shall include, but is not limited to, the following, and shall include all other items affecting the health and safety of the tenants. Scheduled checking, adjusting, cleaning, and lubricating heating equipment. Termite and vermin inspection and elimination, by a Landlord licensed firm.

Periodic interior and exterior painting.

Inspecting and patching roofs, gutters, downspouts, and flashing.

Inspecting underground facilities for corrosion and control thereof.

Inspecting for condensation, dampness, and fungus in wood and for rust in iron components and taking appropriate corrective measures.

Patching paved surfaces and seal-coating, as needed.

Correcting erosion and drainage deficiencies.

Fertilizing and cultivating planted areas.

Installing protective barriers, where needed, for planted areas and trees.

Checking fire safety equipment for operable use.

Check caulking around bathtubs, tiles, countertops, windows, and doors to avoid water damage.

The administration and implementation of the preventative maintenance program will be the responsibility of the Tenant and shall be performed on the following schedule or a schedule approved by the Landlord prior to implementation:

- | | | |
|----|--|----------|
| 1. | Annual Dwelling Inspections and Corrections | 1 year |
| 2. | Heating Furnace Services: | |
| | Minor Inspections and Services | 3 months |
| | Major Inspections and Services | 2 years |
| 3. | Fire Extinguisher and Alarm Inspections and Services | 1 month |
| 4. | Range Hood and Motor Inspections and Services | 1 year |
| 5. | Property Inspections and Corrections | 1 year |
| 6. | Roofing Inspections and Corrections | 1 year |
| 7. | Project Fencing Inspection | 1 year |
| 8. | Security Lighting Inspections and Services | 1 year |

9.	Trees and Shrubbery Inspections and Corrections	1 year
10.	Water Heater Inspections and Services	1 year
11.	Street Pavement Inspections and Corrections	1 year
12.	Weather Stripping and Caulking	1 year
13.	Interior Painting of Unit	4 years
14.	Inspect Exterior Painting of Unit:	
	Wood siding and trim	3 years
	Brick walls, stucco walls and steel sash	5 years

EXHIBIT E
TO
LEASE

Lobbyist Certifications

**FEDERAL LOBBYIST REQUIREMENTS
CERTIFICATION**

Name of Firm: Lennox School District

Address: 10319 S. Firmona Avenue, Lennox

State: CA

Zip Code: 90304

Telephone Number: (310) 330-4950

Acting on behalf of the above named firm, as its Authorized Official, I make the following Certification to the U. S. Department of Housing and Urban Development and the Community Development Commission, County of Los Angeles.

1) No Federal appropriated funds have been paid by or on behalf of the above named firm to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of and Federal grant, loan or cooperative agreement, and any extension, continuation, renewal, amendment, or modification thereof, and;

2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee or any agency, a Member of Congress an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant loan, or cooperative agreement, the above named firm shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions, and;

3) The above name firm shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreement) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into the transaction imposed by Section 1352 Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to

Honorable Board of Commissioners

April 15, 2003

Page 6

a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

AUTHORIZED OFFICIAL

By:

(Contractor/Subcontractor)

(Signature)

(Date)

(Title)

COUNTY LOBBYIST CODE CHAPTER 2.160
County Ordinance No. 93-0031
CERTIFICATION

Name of Firm: Lennox School District

Address: 10319 S. Firmona Avenue, Lennox

State: CA

Zip Code: 90304

Telephone Number: (310) 330-4950

Acting on behalf of the above named firm, as its Authorized Official, I make the following Certification to the County of Los Angeles and the Community Development Commission, County of Los Angeles.

It is understood that each person/entity/firm who applies for a Community Development Commission contract, and as part of that process, shall certify that they are familiar with the requirements of the Los Angeles County Code, Chapter 2.160 (Los Angeles County Ordinance 93-0031) and;

That all persons/entities/firms acting on behalf of the above named firm have and will comply with the County Code, and;

That any person/entity/firm who seeks a contract with the Community Development Commission shall be disqualified there from and denied the contract and, shall be liable in civil action, if any lobbyist, lobbying firm, lobbyist employer or any other person or entity acting on behalf of the named firm fails to comply with the provisions of the County Code.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into contract with the Los Angeles County and the Community Development Commission, County of Los Angeles.

AUTHORIZED OFFICIAL

(Contractor/Subcontractor)

Honorable Board of Commissioners
April 15, 2003
Page 8

By:
(Signature)

(Date)

(Title)